

# SENATE BILL 332

B1, P1, J2

2lr1908  
CF HB 71

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By: **Senator Edwards**

Introduced and read first time: January 27, 2012

Assigned to: Budget and Taxation

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Committee Report: Favorable with amendments

Senate action: Adopted

Read second time: March 17, 2012

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## CHAPTER \_\_\_\_\_

1 AN ACT concerning

2 **Family Security Trust Fund – Requirement to Transfer Interest to the**  
3 **General Fund – Exemption**

4 FOR the purpose of exempting the Family Security Trust Fund, under certain  
5 circumstances, from a certain requirement that certain interest accrue to the  
6 General Fund; requiring the State Treasurer, under certain circumstances, to  
7 pay certain investment earnings into the General Fund of the State; making a  
8 conforming change; and generally relating to an exemption for the Family  
9 Security Trust Fund from the requirement to transfer interest to the General  
10 Fund.

11 BY repealing and reenacting, with amendments,  
12 Article – Health Occupations  
13 Section 7–4A–03  
14 Annotated Code of Maryland  
15 (2009 Replacement Volume and 2011 Supplement)

16 BY repealing and reenacting, without amendments,  
17 Article – State Finance and Procurement  
18 Section 6–226(a)(2)(i)  
19 Annotated Code of Maryland  
20 (2009 Replacement Volume and 2011 Supplement)

21 BY repealing and reenacting, with amendments,  
22 Article – State Finance and Procurement

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EXPLANATION: CAPITALS INDICATE MATTER ADDED TO EXISTING LAW.

[Brackets] indicate matter deleted from existing law.

Underlining indicates amendments to bill.

~~Strike out~~ indicates matter stricken from the bill by amendment or deleted from the law by amendment.



1 Section 6–226(a)(2)(ii)62. and 63.  
 2 Annotated Code of Maryland  
 3 (2009 Replacement Volume and 2011 Supplement)

4 BY adding to  
 5 Article – State Finance and Procurement  
 6 Section 6–226(a)(2)(ii)64.  
 7 Annotated Code of Maryland  
 8 (2009 Replacement Volume and 2011 Supplement)

9 SECTION 1. BE IT ENACTED BY THE GENERAL ASSEMBLY OF  
 10 MARYLAND, That the Laws of Maryland read as follows:

11 **Article – Health Occupations**

12 7–4A–03.

13 (a) There is a Family Security Trust Fund.

14 (b) The Board shall:

15 (1) Administer the Fund; and

16 (2) Over a reasonable period of time, build the Fund to a level of [at  
 17 least] \$1,000,000 and thereafter maintain the Fund at that level.

18 (c) The Fund is a special, nonlapsing fund that is not subject to § 7–302 of  
 19 the State Finance and Procurement Article.

20 (d) (1) The Board shall deposit all money collected to the credit of the  
 21 Fund with the State Treasurer for placement into a special account.

22 (2) (i) The State Treasurer may invest or reinvest money in the  
 23 Fund in the same manner as money in the State Retirement and Pension System.

24 (ii) The investment earnings shall be:

25 1. [Credited] EXCEPT AS PROVIDED IN PARAGRAPH  
 26 (3) OF THIS SUBSECTION, CREDITED to the Fund; and

27 2. Available for the same purposes as the money  
 28 deposited into the Fund.

29 (3) IF THE LEVEL OF THE FUND EXCEEDS \$1,000,000, THE STATE  
 30 TREASURER SHALL PAY THE INVESTMENT EARNINGS OF THE FUND INTO THE  
 31 GENERAL FUND OF THE STATE.

1           (e)    The Fund is not liable for any other expenses or obligations of the Board.

2           (f)    (1)   Accounting and financial reports related to the Fund shall be  
3 publicly available in a timely manner.

4                   (2)   The Legislative Auditor shall audit the accounts and transactions  
5 of the Fund as provided in § 2-1220 of the State Government Article.

6           (g)    (1)   The Board may retain the services of appropriate experts or service  
7 providers to advise about, or administer, the Fund.

8                   (2)   The costs of the services described in paragraph (1) of this  
9 subsection shall be paid out of the Fund.

10           (h)   The Board shall adopt regulations for the administration and claims  
11 procedures of the Fund.

## 12                                   Article – State Finance and Procurement

13   6-226.

14           (a)    (2)   (i)   Notwithstanding any other provision of law, and unless  
15 inconsistent with a federal law, grant agreement, or other federal requirement or with  
16 the terms of a gift or settlement agreement, net interest on all State money allocated  
17 by the State Treasurer under this section to special funds or accounts, and otherwise  
18 entitled to receive interest earnings, as accounted for by the Comptroller, shall accrue  
19 to the General Fund of the State.

20                           (ii)   The provisions of subparagraph (i) of this paragraph do not  
21 apply to the following funds:

22                                   62.   Veterans Trust Fund; [and]

23                                   63.   Transportation Trust Fund; AND

24                                   **64.   FAMILY SECURITY TRUST FUND, SUBJECT TO §**  
25 **7-4A-03(D) OF THE HEALTH OCCUPATIONS ARTICLE.**

26           SECTION 2. AND BE IT FURTHER ENACTED, That this Act shall take effect  
27 July 1, 2012.